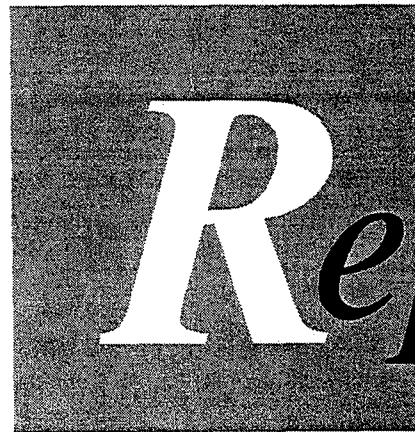


*Audit*



*Report*

YEAR 2000 STATUS OF THE CENTRALIZED ACCOUNTING  
AND FINANCIAL RESOURCE MANAGEMENT SYSTEM,  
DEFENSE THREAT REDUCTION AGENCY

Report No. 99-252

September 15, 1999

Office of the Inspector General  
Department of Defense

### **Additional Copies**

To obtain additional copies of this audit report, contact the Secondary Reports Distribution Unit of the Audit Followup and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or fax (703) 604-8932 or visit the Inspector General, DoD, Home Page at: [www.dodig.osd.mil](http://www.dodig.osd.mil).

### **Suggestions for Future Audits**

To suggest ideas for or to request future audits, contact the Audit Followup and Technical Support Directorate at (703) 604-8940 (DSN 664-8940) or fax (703) 604-8932. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: AFTS Audit Suggestions)  
Inspector General, Department of Defense  
400 Army Navy Drive (Room 801)  
Arlington, VA 22202-2884

### **Defense Hotline**

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to [Hotline@dodig.osd.mil](mailto:Hotline@dodig.osd.mil); or by writing to the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

### **Acronyms**

CAFRMS	Centralized Accounting and Financial Resource Management System
DFAS	Defense Finance and Accounting Service
DTRA	Defense Threat Reduction Agency
Y2K	Year 2000



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-2884

September 15, 1999

MEMORANDUM FOR DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

SUBJECT: Audit Report on the Year 2000 Status of the Centralized Accounting and Financial Resource Management System, Defense Threat Reduction Agency (Report No. 99-252)

We are providing this report for information and use. Management comments on a draft report were considered in preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional information is required.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Ms. Amy L. Schultz at (703) 604-9074 (DSN 664-9074) (aschultz@dodig.osd.mil) or Ms. Kathryn M. Truex (703) 604-9045 (DSN 664-9045) (kmtruex@dodig.osd.mil). See Appendix D for the report distribution. The audit team members are listed inside the back cover.

A handwritten signature in cursive script, reading "Robert J. Lieberman", is positioned above the typed name.

Robert J. Lieberman  
Assistant Inspector General  
for Auditing

## Office of the Inspector General, DoD

Report No. 99-252

(Project No. 9AS-0090.07)

September 15, 1999

### Year 2000 Status of the Centralized Accounting and Financial Resource Management System, Defense Threat Reduction Agency

#### Executive Summary

**Introduction.** This report is one in a series being issued by the Inspector General, DoD, in accordance with an informal partnership with the Chief Information Officer, DoD, to monitor DoD efforts to address the year 2000 computing challenge. For a listing of audit projects addressing the issue, see the year 2000 webpage on the ignet at <http://www.ignet.gov>.

The National Defense Authorization Act and the DoD Appropriations Act for FY 1999 require the Inspector General, DoD, to selectively audit information technology and national security systems certified as year 2000 compliant to evaluate their ability to successfully operate during the year 2000.

**Objectives.** Our objective was to evaluate the ability of the Centralized Accounting and Financial Resource Management System to operate successfully in the year 2000, including its ability to access and transmit information from point of origin to point of termination.

**Results.** The Centralized Accounting and Financial Resource Management System was not planned for inclusion in any type of higher level testing as required by the DoD Y2K Management Plan for all mission-critical systems that are date dependent and are not operating in a stand-alone environment. The Defense Threat Reduction Agency initially maintained that the Centralized Accounting and Financial Resource Management System is essentially a stand-alone system and therefore not subject to the requirement for a higher level test. However, the Centralized Accounting and Financial Resource Management System is not a stand-alone system because it has external interfaces with other DoD financial systems. During the course of the audit, Defense Threat Reduction Agency developed a new action plan for the implementation, testing, and recertification of the Centralized Accounting and Financial Resource Management System, to include higher level testing as required by the DoD Y2K Management Plan. The risk that the Centralized Accounting and Financial Resource Management System will fail or have an adverse impact on other DoD financial systems due to year 2000-related events will be reduced if the new action plan is successfully implemented.

**Summary of Recommendation.** We recommend that the Comptroller, Defense Threat Reduction Agency, verify that the Centralized Accounting and Financial Resource Management System Action Plan is completed timely and fulfills the testing requirements of the DoD Management Plan.

**Management Comments.** The Defense Threat Reduction Agency concurred with the recommendation. The Defense Threat Reduction Agency believes that the Centralized Accounting and Financial Resource Management System Action Plan meets the intent of the recommendation and will continue to carry out the activities delineated in the plan, subject to coordination and scheduling with the Defense Finance and Accounting Service.

# **Table of Contents**

---

<b>Executive Summary</b>	i
<b>Introduction</b>	
Background	1
Objectives	2
<b>Finding</b>	
Year 2000 Status of the Centralized Accounting and Financial Resource Management System	3
<b>Appendixes</b>	
A. Audit Process	
Scope	8
Methodology	9
B. Summary of Prior Coverage	10
C. Centralized Accounting and Financial Resource Management System	
Action Plan	12
D. Report Distribution	16
<b>Management Comments</b>	
Defense Threat Reduction Agency	19

---

## Introduction

The National Defense Authorization Act and DoD Appropriations Act for FY 1999 require the Inspector General, DoD, to selectively audit information technology and national security systems certified as year 2000 (Y2K) compliant to evaluate their ability to successfully operate during the year 2000, including their ability to access and transmit information from point of origin to point of termination.

## Background

**DoD Y2K Management Plan.** The Senior Civilian Official, Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence), in his role as the DoD Chief Information Officer, issued the "DoD Year 2000 Management Plan" (DoD Management Plan) version 2.0 in December 1998. The DoD Management Plan provides the overall DoD strategy and guidance for inventorying, prioritizing, fixing, testing, and implementing compliant systems and monitoring their progress. The target completion date for implementing all mission-critical systems was December 31, 1998.

**Defense Threat Reduction Agency.** On October 1, 1998, the Secretary of Defense established the Defense Threat Reduction Agency (DTRA), which is dedicated to reducing the threat of nuclear, chemical, biological, conventional and special weapons to the United States and its allies. Elements of the Office of the Secretary of Defense, the Defense Technology Security Administration, the Defense Special Weapons Agency, and the On-Site Inspection Agency were consolidated as a result of the Secretary's November 1997 Defense Reform Initiative, which directed the creation of DTRA. The DTRA executes technology security activities and cooperative threat reduction programs and monitors arms control treaties and on-site inspections, force protection, and nuclear, biological, and chemical defense and counterproliferation. The DTRA supports the United States' nuclear deterrent and provides technical support on weapons of mass destruction to DoD organizations.

**Centralized Accounting and Financial Resource Management System.** The Centralized Accounting and Financial Resource Management System (CAFRMS) is the official financial accounting system for DTRA. The CAFRMS resides on a mainframe processor and was designed to provide a single source of financial information, a single-point data update, and multi-user access. The principal part of the system encompasses data for fund control, general ledger processing, expenditure accounting, planning and budget activities, and budget execution within DTRA components and the Defense Finance and Accounting Service (DFAS). The remainder of the system supports the housekeeping, reference, backup, and security needs of CAFRMS. Financial data is either input into CAFRMS on personal computers or imported from DFAS files.

---

## **Objectives**

Our objective was to evaluate the ability of CAFRMS to operate successfully in the year 2000, including its ability to access and transmit information from point of origin to point of termination. See Appendix A for a discussion of the audit scope and methodology.



---

## **Year 2000 Status of the Centralized Accounting and Financial Resource Management System**

The CAFRMS was not planned for inclusion in any type of higher level testing as required by the DoD Management Plan for all mission-critical systems that are date dependent and are not operating in a stand-alone environment. The DTRA initially maintained that CAFRMS is essentially a stand-alone system and therefore not subject to the requirement for a higher level test. However, CAFRMS is not a stand-alone system because it has external interfaces with other DoD financial systems. During the course of the audit, DTRA developed a new action plan for the implementation, testing, and recertification of CAFRMS, to include higher level testing as required by the DoD Management Plan. The risk that CAFRMS will fail or have an adverse impact on other DoD financial systems due to Y2K-related events will be reduced if the new action plan is successfully implemented.

### **Higher Level Testing**

**DoD Requirement.** The DoD Management Plan requires Principal Staff Assistants to ensure that all mission-critical systems are evaluated at least once in a higher level test, except if the systems are not date dependent or if they operate in a stand-alone environment. The purpose of the higher level test is to assess the ability of the system to access and transmit information from point of origin to point of termination.

**CAFRMS Data Exchanges.** DTRA personnel initially stated that CAFRMS was not subject to the higher level testing requirement because it functioned in essentially a stand-alone environment, with the only exception being the civilian payroll data imported from DFAS. DTRA maintained that the civilian payroll data was the only electronic input interface with CAFRMS, and that CAFRMS had no electronic output interfaces.

**Inspector General, DoD, Review of CAFRMS.** A review of system documentation by computer engineers for the Inspector General, DoD, indicated that CAFRMS did not operate in a stand-alone environment because it performs electronic data exchanges. The existence of the Gross Pay Reconciliation files input interfaces, identified by DTRA in certification documentation, is sufficient to recommend higher level testing. Also, previous Inspector General, DoD, financial system audit reviews identified that CAFRMS was being used not only by the Defense Special Weapons Agency and the On-Site Inspection Agency, which are now part of DTRA, but also by the Office of the Secretary of Defense and the Ballistic Missile Defense Organization. Additionally, discussions with DTRA personnel indicated that electronic output interfaces existed between CAFRMS and DFAS before DTRA was established. Further, financial data are usually transferred to DFAS by electronic file transfers, and DFAS is working

---

to ensure that all financial data are transferred electronically. Therefore, CAFRMS should be included in a functional end-to-end test arranged in cooperation with the financial Principal Staff Assistant.

## **Y2K Status of CAFRMS**

The CAFRMS was certified as Y2K compliant by DTRA on September 1, 1998. At that time, DTRA identified system interfaces and reported that system-level testing had been completed as required. The DTRA also obtained vendor certification for hardware and software and prepared contingency plans.

**DoD Requirements for System Certification.** The following system certification requirements are outlined in the DoD Management Plan.

- System developers, maintainers, and owners are required to certify and document that each system is Y2K compliant. A completed and signed checklist constitutes certification of Y2K compliance for a system.
- Program Managers are required to document system interfaces and obtain interface agreements, or the equivalent, for each system interface.
- DoD Components are required to conduct testing to validate that the systems and all interfaces are Y2K compliant and will perform as intended. Systems must be tested on a compliant domain and in an operationally compliant environment. Mission-critical systems were to be tested and certified appropriately for Y2K compliance by September 30, 1998.
- Executive software and hardware used by an application must be Y2K compliant for certification. DoD Components may determine a product's Y2K compliance either by vendor compliance information (vendor certifications) or actual hands-on testing.
- System and operational contingency plans are required for all mission-critical systems. All plans were to be exercised or validated by June 30, 1999, to ensure that alternate procedures are realistic and executable. Further, contingency plans should be reviewed regularly and modified, if required.

**DTRA System Certification.** Following is a summary of how DTRA addressed each of the above requirements.

**Certification Checklist.** The DTRA initially certified CAFRMS as Y2K compliant on September 1, 1998, but updated the certification to reflect additional testing performed in March 1999. The Program Manager signed the December 1998 Y2K compliance checklist on March 30, 1999.

---

**CAFRMS Interface Agreements.** The DTRA identified three external interfaces between CAFRMS and the Defense Civilian Pay System that transmit Gross Pay Reconciliation files from two different locations. Instead of formal interface agreements, DTRA produced a letter from DFAS, the owners of the files, which states that the six-digit date fields would not be expanded on any Defense Civilian Pay System interface files. The Gross Pay Reconciliation files are identified as six-digit date fields. However, an ongoing Inspector General, DoD, audit of the Defense Civilian Pay System shows that although the dates transmitted by the Defense Civilian Pay System to interfaces and all screens and printouts show six-digit date fields, the Defense Civilian Pay System expands the date fields to eight-digit date fields for internal processing. The DTRA created code to accommodate the Defense Civilian Pay System process so that DTRA could convert Gross Pay Reconciliation files to an eight-digit format before being inserted into CAFRMS.

**CAFRMS Testing.** Initially, DTRA tested CAFRMS on August 18, 1998, using an IDEAL program to validate the internal system date. The computer recognized February 29, 2000; Julian date 00060 (February 29, 2000); and Julian date 00366 (December 31, 2000), resulting in a certification level of 3a, indicating self-certification with full use of four-digit century date fields. However, CAFRMS needed additional testing to raise the certification level and update the documentation to current guidance. The testing was performed and observed on March 28, 1999, by the same contractor who wrote the system program. This test raised the CAFRMS certification level to 2a indicating that an independent audit of the system and existing testing was completed using a four-digit year format. A review of test documentation by computer engineers for the Inspector General, DoD, indicated that CAFRMS itself was adequately Y2K tested, and the noncompliant parts of the system were identified, corrected, and retested during the testing cycle on March 28, 1999. An overview of the test results showed that CAFRMS passed all of the date-critical compliance tests. DTRA personnel stated that the March testing included importing and testing the interfaces files from the DFAS, Defense Civilian Payroll System; however, the testing is not documented in system certification. Additionally, five other systems reside on the CAFRMS processor and no documentation exists to indicate they have been examined for Y2K compliance. Even though the documentation states that the other five systems do not interact with CAFRMS, they share common system resources that could possibly degrade or halt the operations of CAFRMS. Therefore, not knowing the Y2K status of these applications puts them all at risk.

**CAFRMS Vendor Certifications.** The DTRA met this requirement by obtaining vendor certifications for all CAFRMS operating systems, hardware, and software. However, because vendors may change the Y2K status of their products, DTRA should periodically monitor vendor certification status until the year 2000.

**CAFRMS Contingency Planning.** The DTRA prepared two contingency plans for CAFRMS. The DTRA Financial Management Office Year 2000 Operational Contingency Plan, dated March 29, 1999, identifies the purpose, risks, contingencies, system functions, plan maintenance, and solutions

---

or workarounds at the organizational level. This plan was not intended to replace individual system plans and is very broad. The CAFRMS Y2K Continuity and Contingency Plan, dated March 1999, is much more detailed and includes key personnel and their responsibilities should a Y2K problem arise. The adequacy of the contingency plans could not be determined because, as a result of the audit, DTRA is redefining the functionality and operating environment of the system. The DTRA contingency plans were incorporated into the DTRA Enterprise Operational Contingency Plan Table-Top Exercise, dated June 30, 1999.

## **CAFRMS Action Plan**

During the audit, DTRA personnel prepared a CAFRMS Action Plan to address concerns raised by the audit staff. The plan included provisions for the following steps to be taken to reduce the risk that CAFRMS will fail or that it will have an adverse impact on other DoD financial systems.

- DTRA personnel will identify all CAFRMS interfaces.
- DTRA will establish user file transfer protocol setups with DFAS for trial balance and Delmars information.
- DTRA will conduct an end-to-end test with DFAS. The test results will document the flow of data before, during, and after data transfer.
- DTRA will retest CAFRMS and develop documentation to support a level 1a certification. A third-party contractor will perform an independent verification and validation of the system.
- DTRA will review each of the five systems that reside on the same processor as CAFRMS and will document their Y2K status.
- DTRA will submit evidence of vendor certification reviews to the Y2K office.

A full text of the CAFRMS Action Plan, excluding individual points of contact, is included at Appendix C.

## **Conclusion**

The CAFRMS did not participate in higher level testing because DTRA initially maintained that CAFRMS was essentially a stand-alone system and therefore was not subject to the DoD Management Plan requirement. However, CAFRMS is not a stand-alone system because DTRA identified input interfaces. Output interfaces with DFAS need to be examined to determine whether additional testing is required. As a result, the risk that CAFRMS will fail or will have an adverse impact on other DoD financial systems due to Y2K-related events could not be determined. However, if DTRA takes the steps outlined in

---

the CAFRMS Action Plan, the risk that CAFRMS will fail or have an adverse impact on other DoD financial systems because of Y2K-related events will decrease.

## **Recommendation and Management Comments**

**We recommend that the Comptroller, Defense Threat Reduction Agency, verify that the Centralized Accounting and Financial Resource Management System Action Plan is completed timely and fulfills the testing requirements of the DoD Management Plan.**

**Management Comments.** The Defense Threat Reduction Agency concurred with the recommendation. The Defense Threat Reduction Agency believes that the Centralized Accounting and Financial Resource Management System Action Plan meets the intent of the recommendation and will continue to carry out the activities delineated in the plan, subject to coordination and scheduling with the Defense Finance and Accounting Service.

---

## Appendix A. Audit Process

This report is one in a series being issued by the Inspector General, DoD, in accordance with an informal partnership with the Chief Information Officer, DoD, to monitor DoD efforts to address the Y2K computing challenge. For a listing of audit projects addressing the issue, see the Y2K webpage on the ignet at <http://www.ignet.gov>.

### Scope

**Work Performed.** To assign a system risk, we reviewed and evaluated the CAFRMS testing. The Technical Assessment Division, Office of the Inspector General, DoD, reviewed the test plan and test results for CAFRMS to determine whether the system had been adequately tested. We compared the Y2K efforts of testing and certifying CAFRMS with the requirements in the DoD Management Plan. We also reviewed the CAFRMS contingency plans and compared them to the DoD Management Plan requirements.

**Limitation to Audit Scope.** The audit scope concentrated on the hardware and software used to run CAFRMS as well as its external interfaces. We did not determine whether the personal computers used to input financial data into CAFRMS were adequately tested for Y2K compliance. The DTRA could not provide a listing of all inputs and outputs to the system. The determination of whether the system was stand-alone was based on conversations with DTRA and DFAS personnel.

**DoD-Wide Corporate-Level Government Performance and Results Act Goals.** In response to the Government Performance and Results Act, the DoD established 6 DoD-wide corporate-level performance objectives and 14 goals for meeting the objectives. This report pertains to the achievement of the following objective and goal.

**Objective:** Prepare now for the uncertain future. **Goal:** Pursue a focused modernization effort that maintains United States qualitative superiority in key warfighting capabilities. (DoD-3)

**DoD Functional Area Reform Goals.** Most major DoD functional areas have also established performance improvement reform objectives and goals. This report pertains to achievement of the following functional area objectives and goals.

#### Information Technology Management Functional Area.

- **Objective:** Become a mission partner. **Goal:** Serve mission information users as customers. (ITM-1.2)

- 
- **Objective:** Provide services that satisfy customer information needs.  
**Goal:** Modernize and integrate DoD information infrastructure.  
(ITM-2.2)
  - **Objective:** Provide services that satisfy customer information needs.  
**Goal:** Upgrade technology base. (ITM-2.3)

**General Accounting Office High-Risk Area.** The General Accounting Office has identified several high-risk areas in DoD. This report provides coverage of the Information Management and Technology high-risk area.

## **Methodology**

**Use of Computer-Processed Data.** We did not use computer-processed data to perform the audit.

**Audit Type, Dates, and Standards.** We performed this program audit from March through August 1999, in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD.

**Contacts During the Audit.** We visited or contacted individuals and organizations within DoD. Further details are available upon request.

**Management Control Program.** We did not review the management control program related to the overall audit objective because DoD recognized the Y2K issue as a material management control weakness area in the FY 1998 Annual Statement of Assurance.

---

## Appendix B. Summary of Prior Coverage

The General Accounting Office and the Inspector General, DoD, have conducted multiple reviews related to Y2K issues. General Accounting Office reports can be accessed over the Internet at <http://www.gao.gov>. Inspector General, DoD, reports can be accessed over the Internet at <http://www.dodig.osd.mil/>. The following Y2K reports have been issued relating to the Defense Threat Reduction Agency.

**Inspector General, DoD, Report No. 99-235, "Year 2000 Status of the Defense Threat Reduction Agency Nuclear Weapon Status Information Systems," August 19, 1999.** The report states that DTRA exercised due diligence in validating the Y2K readiness of its mission-critical Nuclear Weapon Information Tracking Systems. Specifically, for the Nuclear Management Information System, the Nuclear Weapons Contingency Operations Module, and the Special Weapons Information Management System, DTRA assessed the Y2K compliance of the system inventory; conducted Y2K system verification and certification testing; assessed the system interfaces; developed and tested its system contingency plans; participated in the first of two required operational readiness tests; and scheduled a second operational readiness test. As a result, DTRA obtained a reasonable level of assurance that the functions performed by the Nuclear Management Information System, the Nuclear Weapons Contingency Operations Module, and the Special Weapons Information Management System will continue after the year 2000. The report had no recommendations.

**Inspector General, DoD, Report No. 99-234, "Year 2000 Status of the Nuclear Inventory Management and Cataloging System," August 19, 1999.** The reports states that DTRA, Albuquerque Operations adequately assessed Y2K issues to ensure Y2K compliance of the Nuclear Inventory Management and Cataloging System, but did not fully document all relevant information that should have been included as the basis of Y2K certification. The Nuclear Inventory Management and Cataloging System inventory did not show the version of the product used; the test plan and report did not adequately describe test procedures, expected results, and actual results; and the contingency plan was not practical. Also, the level of certification was incorrect. The report states that initial errors in the System and Operational Contingency Plan were corrected.

The report recommended that the Chief Information Officer, DTRA, provide active ongoing oversight of the Nuclear Inventory Management and Cataloging System to include the completion of the following: update and maintain the Nuclear Inventory Management and Cataloging System inventory, test plan, and certification checklist; revise the Office of the Secretary of Defense Y2K database to reflect the appropriate certification level; update the contingency plan; and verify the Y2K compliance of the equipment requirements for the backup server when conducting the contingency plan test.



---

The DTRA provided information subsequent to the draft report that was a significant improvement and included necessary information as the basis of Y2K certification. Also, DTRA provided an After Action Plan of the lessons learned, a Test Analysis Report, and an updated Nuclear Inventory Management and Cataloging System and Operational Contingency Plan. However, DTRA did not agree that the certification level was inaccurate. With the exception of the certification level, the DTRA comments were responsive. The DTRA believes it reported the certification level accurately in accordance with the DoD Management Plan.

**Inspector General, DoD, Report No. 99-034, "Management of the On-Site Inspection Agency Year 2000 Program," November 12, 1998.**

**Inspector General, DoD, Report No. 99-030, "Management of the Defense Technology Security Administration Year 2000 Program," November 3, 1998.**

**Inspector General, DoD, Report No. 99-028, "Management of the Defense Special Weapons Agency Year 2000 Program," October 30, 1998.**

# Appendix C. Centralized Accounting and Financial Resource Management System Action Plan

## CAFRMS Action Plan

DoDIG Review	DTRA Internal Discussion	DTRA Action Plan	Milestones and Deliverables
<b>Interfaces - DoD Review of CAFRMS</b> <p>Also, prior Department of Defense, Inspector General financial system audit reviews identified that CAFRMS was being used not only by the Defense Special Weapons Agency and the On-Site Inspection Agency, which are now part of DTRA, but also the Office of the Secretary of Defense and the Ballistic Missile Defense Organization, implying some sort of interface between the Centralized Accounting and Financial Resource Management System and Defense Finance and Accounting Service prior to the formation of the Defense Threat Reduction Agency.</p>	<p>DTRA has non-traditional data interfaces. The agency uses a semi-automatic data exchange process where CAFRMS does not actually exchange data directly with external DoD systems, but rather CAFRMS users extract data for their use and manipulation on their PC/workstations, and then send those data to external organizations via email or fax. Thus CAFRMS data flow consists of paper transfer, email attachment or manual data entry. Prior to the DoDIG audit DTRA had planned to supercede the paper and email interchanges with a more structured FTP process.</p>	<ul style="list-style-type: none"> <li>Meetings with ISS and FM to discuss CAFRMS interfaces.</li> <li>Develop an interface chart to provide a description of the data flow process</li> <li>Expedite implementation of FTP process to formalize and structure exchange of user data with DFAS</li> </ul>	<ol style="list-style-type: none"> <li>1. Provide CAFRMS user data interface chart to DoDIG - August 4, 1999</li> <li>2. User FTP setups August 11 - 13, 1999</li> </ol>
DoDIG Review	DTRA Internal Discussion	DTRA Action Plan	Milestones and Deliverables
<b>Higher Level Testing - DoD Review of CAFRMS</b> <p>Further, the common practice for the transfer of financial data to the Defense Finance and Accounting Service includes electronic file transfers and the Defense Finance and Accounting Service is working with clients to ensure that all financial data is electronically file transferred. Therefore CAFRMS should be included in a financial functional end-to-end test arranged in cooperation with the financial Principal Staff Assistant.</p>	<p>In addressing the DoDIG concern DTRA is committed to ensuring critical data flow is uninterrupted by Y2K. While CAFRMS does not technically interface with the external systems (its users do), data flow is an agreed upon central concern. DTRA considered the option of testing the current paper process and decided expediting the planned FTP process would prove a better use of resources and provide measurable results.</p>	<ul style="list-style-type: none"> <li>DTRA will coordinate functional end-to-end testing of the two reports intended for FTP (Trial balance and Delmars) with the applicable DFAS elements</li> </ul>	<ol style="list-style-type: none"> <li>3. Conduct functional end-to-end testing with CAFRMS/DFAS - August 18-20, 1999</li> <li>4. Incorporate test results which document the flow of data before, during and after transfer. DTRA internal draft August 20, 1999 submission to the DoDIG - August 24, 1999</li> </ol>

<b>DoDIG Review</b>	<b>DTRA Internal Discussion</b>	<b>DTRA Action Plan</b>	<b>Milestones and Deliverables</b>
<b>Certification Level - CAFRMS Testing</b> This resulted in a certification level of 3a indication self-certification with full use of 4-digit century date fields. However, additional testing was needed to raise the certification level and update the documentation to current guidance. Therefore, CAFRMS was retested and observed by a contractor on March 28, 1999.	The system is currently certified at level 2a. In consideration of guidance from PDUSSD (A&T) stating mission critical systems should be certified to level 1a DTRA had planned to retest CAFRMS and raise the certification level to 1a. In light of the DoD audit discussion DTRA will expedite the process.	<ul style="list-style-type: none"> <li>Retest CAFRMS and develop documentation supporting a level 1a certification.</li> </ul>	5. Level 1a certification checklists with appropriate test plans, procedures, results and analysis - August 17, 1999
<b>Same Contractor - CAFRMS Testing</b> Although DTRA used this testing to raise the CAFRMS certification level to 2a indicating an independent audit of the system and existing testing completed using a 4-digit year format, it should be noted that the contractor that observed the testing is the same contractor that wrote the system program.	In-house DTRA government personnel wrote the program and only used a contractor to implement the UNIX portion of the system. Separate contractor staff then witnessed the Y2K systems test. However, he did work for the same company as the contractor who implemented the UNIX portion of the program, raising some concerns over independence.	<ul style="list-style-type: none"> <li>To eliminate any doubt that DTRA has totally complied with DoD Y2K guidance, ISSB has agreed to retest the system and have a third party contractor perform the IV&amp;V on the system.</li> </ul>	6. Provide DTRA internal draft IV&V analysis report to ISP/Y2K Office - August 17, 1999 7. Submit final IV&V analysis report to DoDIG - August 20, 1999

DoDIG Review	DTA Information Discussion	DTA Action Plan	Milestones and Deliverables
<p><b>Five modules on the same system - CAFRMS Testing</b></p> <p>Additionally, five other systems reside on the same processor as CAFRMS and there is no documentation indicating they have been examined for Y2K compliance.</p>	<p>The system inventory included in the CAFRMS documentation listed the names of five systems (PDPMS, MOMS, MASH, AMTS and ITS).</p>	<ul style="list-style-type: none"> <li>Review each system and document Y2K status</li> </ul>	<ol style="list-style-type: none"> <li>PDPMS- is a subsystem of CAFRMS, this will be clarified in documentation provided to the DoDIG - August 24, 1999</li> <li>MOMS - a separate system. ISS will submit the appropriate documentation, including a new certification checklist to ISP/Y2K Office for review - August 17, 1999</li> <li>MASH- a system which does not process any dates. ISS will submit a certification checklist (level 5) to ISP/Y2K Office for review- August 17, 1999</li> <li>Provide MOMS and MASH finalized systems documentation to DoDIG - August 20, 1999</li> <li>AMTS - component retired as of October 1998. ISS will submit DTRA internal draft retirement memo to ISP - August 9, 1999</li> <li>ITS - component retired as of October 1998. ISS will submit DTRA internal draft retirement memo to ISP - August 9, 1999</li> <li>Provide AMTS &amp; ITS final retirement memorandums to DoDIG - August 12, 1999</li> </ol>

DoDTR Review - DTRA Interim Discussion		DTRA Action Plan		Milestones and Deliverables	
Vendor Certification - CAFRMS Vendor Certifications					
The DTRA met this requirement by obtaining vendor certifications for all operating system, hardware, and software used by CAFRMS. However, because vendors may change the Y2K status of their products, DTRA should periodically monitor their vendor certification status until the millennium.		ISS frequently reviews vendor web sites for new or revised data regarding Y2K systems status.		<ul style="list-style-type: none"><li>Formally document vendor Y2K reviews, identify changes as they impact CAFRMS operating system, hardware, and software certification, and take appropriate action</li></ul>	<p>15. ISS to submit updated vendor certifications to ISP/Y2K Office for review - August 9, 1999 and provide monthly updates thereafter</p> <p>16. Provide copies of updated vendor certifications to DoDIG - August 12, 1999</p>

Acronyms	
DoDIG	Department of Defense, Inspector General
CAFRMS	Centralized Accounting and Financial Management System
FTP	File Transfer Protocol
ISS	Information Systems Support
FM	Financial Management
DFAS	Defense Finance and Accounting Service
PDUSD (A&T)	Principal Deputy Under Secretary of Defense (Acquisition and Technology)
ISSB	Information System Support Branch
IV&V	Independent Verification and Validation
PDPMS	Program Decision Package Management System
MOMS	Manpower Online Management System
MASH	Mailing Address System for Headquarters
AMTS	Acquisition Management Training System
ITS	Issue Tracking System
ISP	Information System Plans

---

## **Appendix D. Report Distribution**

### **Office of the Secretary of Defense**

Under Secretary of Defense for Acquisition and Technology  
Director, Defense Logistics Studies Information Exchange  
Under Secretary of Defense (Comptroller)  
Deputy Chief Financial Officer  
Deputy Comptroller (Program/Budget)  
Assistant Secretary of Defense (Command, Control, Communications, and Intelligence)  
Deputy Chief Information Officer and Deputy Assistant Secretary of Defense (Chief Information Officer Policy and Implementation)  
Principal Director for the Year 2000

### **Joint Staff**

Director, Joint Staff

### **Department of the Army**

Chief Information Officer, Army  
Inspector General, Department of the Army  
Auditor General, Department of the Army

### **Department of the Navy**

Assistant Secretary of the Navy (Financial Management and Comptroller)  
Chief Information Officer, Navy  
Inspector General, Department of the Navy  
Auditor General, Department of the Navy  
Inspector General, Marine Corps

### **Department of the Air Force**

Assistant Secretary of the Air Force (Financial Management and Comptroller)  
Chief Information Officer, Air Force  
Inspector General, Department of the Air Force  
Auditor General, Department of the Air Force

---

## **Unified Commands**

Commander in Chief, U.S. European Command  
Commander in Chief, U.S. Pacific Command  
Commander in Chief, U.S. Atlantic Command  
Commander in Chief, U.S. Southern Command  
Commander in Chief, U.S. Central Command  
Commander in Chief, U.S. Space Command  
Commander in Chief, U.S. Special Operations Command  
Commander in Chief, U.S. Transportation Command  
Commander in Chief, U.S. Strategic Command

## **Other Defense Organizations**

Director, Defense Contract Audit Agency  
Director, Defense Finance and Accounting Service  
Director, Defense Information Systems Agency  
    Chief Information Officer, Defense Information Systems Agency  
    Inspector General, Defense Information Systems Agency  
    United Kingdom Liaison Officer, Defense Information Systems Agency  
Director, Defense Logistics Agency  
Director, Defense Threat Reduction Agency  
    Chief Information Officer, Defense Threat Reduction Agency  
    Inspector General, Defense Threat Reduction Agency  
Director, National Security Agency/Central Security Service  
    Inspector General, National Security Agency/Central Security Service  
Inspector General, Defense Intelligence Agency  
Inspector General, National Imagery and Mapping Agency  
Inspector General, National Reconnaissance Office

## **Non-Defense Federal Organizations and Individuals**

Office of Management and Budget  
    Office of Information and Regulatory Affairs  
General Accounting Office  
    National Security and International Affairs Division  
    Technical Information Center  
    Director, Defense Information and Financial Management Systems, Accounting and  
    Information Management Division

---

## **Congressional Committees and Subcommittees, Chairman and Ranking Minority Member**

Senate Committee on Appropriations  
Senate Subcommittee on Defense, Committee on Appropriations  
Senate Committee on Armed Services  
Senate Committee on Governmental Affairs  
Senate Special Committee on the Year 2000 Technology Problem  
House Committee on Appropriations  
House Subcommittee on Defense, Committee on Appropriations  
House Committee on Armed Services  
House Committee on Government Reform  
House Subcommittee on Government Management, Information, and Technology,  
Committee on Government Reform  
House Subcommittee on National Security, Veterans Affairs, and International  
Relations, Committee on Government Reform  
House Subcommittee on Technology, Committee on Science



# Defense Threat Reduction Agency Comments



Defense Threat Reduction Agency  
45045 Aviation Drive  
Dulles, VA 20186-7517

SEP 08 1999

MEMORANDUM FOR INSPECTOR GENERAL DEPARTMENT OF DEFENSE

SUBJECT: Draft Audit Report on Year 2000 Status of the  
Centralized Accounting and Financial Resource  
Management System (Project No. 9A6-00090.07)

Reference is made to your draft audit report, same subject, dated August 20, 1999, which provided one recommendation. The Defense Threat Reduction Agency (DTRA) has reviewed the recommendation for the Draft Audit Report on Year 2000 Status of the Centralized Accounting and Financial Resource Management System (CAFRMS) and has the following comments.

**Recommendation:** Verify that the CAFRMS Action Plan is completed timely and fulfills the testing requirements of the DoD Management Plan.

**DTRA Response.** DTRA believes that the referenced CAFRMS Action Plan meets the intent of the recommendation by the DoDIG in the above referenced report. DTRA will continue to carry out the activities delineated in the CAFRMS Action Plan, subject to coordination and scheduling with DFAS. Many of the activities have already been completed and all action is expected to be completed no later than September 30, 1999.

DTRA appreciates the opportunity to comment on the draft report. Please express our appreciation to your staff for their hard work in helping us prepare for Y2K. Please address any questions or comments to the undersigned at 810-4178.

A handwritten signature in black ink, appearing to read "Richard L. Towner".

Richard L. Towner  
Captain, U.S. Navy  
Acting Chief Information Officer

# **Audit Team Members**

The Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report.

Thomas F. Gimble  
Patricia A. Brannin  
Mary Lu Ugone  
Kathryn M. Truex  
Amy L. Schultz  
Virginia Rogers  
Dan Convis  
Peter Johnson  
Krista S. Gordon